Government of Saskatchewan

Annual Report 1986

Forty-second Annual Report of the Saskatchewan Liquor Board Superannuation Commission

for the year ended

December 31, 1986

Table of Contents

	Page
Letters of Transmittal	4
Introduction	6
Contributions and Payments	6
Retirements and Deaths	6
Legislation	6
Administration	6
Tables 1 and 2	7
Employees Retired Having Attained the Age of Retirement	
Employees Retired at Their Option After 60 — Reduced Allowance	
Employees Retired at Their Option After 60 — No Reduction	
Tables 3 and 4	8
Allowances Granted to Spouses of Deceased Superannuates	
Financial Statements	
Auditor's Report	10
Balance Sheet	11
Statement of Revenue, Expenditure and Accumulated Fund Balance	12
Statement of Receipts and Disbursements	13
Notes to Financial Statements	14
Schedule of Investments	15
Schedule of Investment Transactions	16

Regina, Saskatchewan

The Honourable F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the forty-second Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1986, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Graham Taylor

D. Graham Taylor
Minister in Charge
Liquor Board
Superannuation Commission

Saskatchewan
Liquor Board
Superannuation
Commission

Regina, Saskatchewan

The Honourable D. G. Taylor
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Sir:

I have the honour to submit herewith the forty-second Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1986, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Brian Smith

Brian L. Smith
Chairman

The Liquor Board Superannuation Commission

Introduction

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of The Liquor Board Superannuation Act.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

Contributions and Payments

During the calendar year ended December 31, 1986 employees' contributions to the Liquor Board Superannuation Fund amounted to $307,636. Employer contributions of $1,026,432 were made to the Fund.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to $1,984,342.

Retirements and Deaths

Nine employees retired during the year:

Normal retirement at age 65	3
Retirement on the grounds of ill health	2
Optional retirement after 35 years service	2
Optional retirement after age 60 with minimum 20 years service	1
Optional retirement after age 60 with minimum 15 years service	1
Total	9

For further details, see Tables 1 and 2.

During the year ten superannuates receiving an allowance died. A superannuation allowance was granted to the spouses of six deceased superannuates. In the other four deaths, there were no beneficiaries.
(See Tables 3 and 4).

Legislation

The government granted an increase of 2.16% of the superannuation allowances being paid to superannuated employees, spouses and children to offset the effects of inflation.

Administration

The Public Employees Benefits Agency, in the Department of Finance, is responsible for the operation, administration and management of the Liquor Board Superannuation Plan.

The Commission extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day to day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Liquor Board for their co-operation and assistance during the year.

Liquor Board Superannuation Commission

Brian Smith	**Chairman**
Kenneth Cantin	**Member**
Ted Urness	**Member**

Table 1 Allowances Granted to Employees

Name	Position	Effective Date
Employees Retired on the Grounds of Ill Health		
Baumgardner, Kelly		February 14, 1986
Petrovich, Irvin	Liquor Store Clerk	August 17, 1986
Employees Retired Having Attained the Age of Retirement — Age 65		
Boe, Lloyd	L.S. Manager II	July 1, 1986
Maley, George	L.S. Manager III	October 1, 1986
Brasseur, Hubert	L.S. Clerk I	August 24, 1986
Employees Retired at Their Option After 35 Years Service		
Warren, Donald	L.S. Manager IVA	August 1, 1986
Hruszka, Lester	L.S. Clerk I	August 31, 1986
Employees Retired at Their Option After Age 60 — Reduced Allowance		
Straub, Arthur	L.S. Assist. Manager I	May 25, 1986
Employees Retired at Their Option After Age 60 — No Reduction		
Hill, Jenny	L.S. Manager II	December 27, 1986

Table 2 Allowances Granted to Employees

	Final Monthly Salary	Age	Years of Service	Annual Allowance
Employees Retired on the Grounds of Ill Health				
1.	2,030.48	57	31.28	15,796.92
Employees Retired Having Attained the Age of Retirement — Age 65				
1.	2,401.56	65	31.71	15,018.27
2.	2,230.76	65	27.30	11,208.60
3.	1,837.60	65	23.98	7,672.68
Employees Retired at Their Option After Age 35 Years of Service				
1.	1,837.60	62	36.39	15,838.55
2.	2,945.38	63	41.79	21,957.00
Employees Retired at Their Option After Age 60 — Reduced Allowance				
1.	2,096.88	61	18.01	8,484.86
Employees Retired at Their Option After Age 60 — No Reduction				
1.	2,217.08	60	34.00	18,789.23

Table 3 Allowances Granted to Spouses of Deceased Superannuates

Name of Superannuate	Date of Death	Age at Death
Cassels, Earle	January 13, 1986	57
McDonald, Aurore	January 13, 1986	91
Jones, Phyllis	April 23, 1986	68
Golling, Joseph	April 9, 1986	78
Lyngstad, John	May 7, 1986	75
Vick, Thomas	July 30, 1986	82
Savoie, D. Henri	October 22, 1986	70
Charpentier, Francois	May 28, 1986	70
Cunning, Cecil	November 24, 1986	87
Usherwood, Margaret	September 13, 1986	82

Table 4 Allowances Granted to Spouses of Deceased Superannuates

	Annual Allowance at Death	Annual Allowance Payable to Spouse	Effective Date
1.	5,954.40	3,572.64	May 1, 1986
2.	10,157.52	6,094.51	June 1, 1986
3.	6,046.21	4,455.48	January 13, 1986
4.	9,062.28	No Beneficiary	
5.	11,184.00	6,710.40	December 1, 1986
6.	2,866.32	1,719.79	November 1, 1986
7.	3,960.60	No Beneficiary	
8.	3,707.52	2,224.51	June 1, 1986
9.	3,274.20	No Beneficiary	
10.	3,174.24	No Beneficiary	

Saskatchewan
Liquor Board
Superannuation
Commission

Liquor Board Superannuation Fund

Financial Statements

Year Ended December 31, 1986

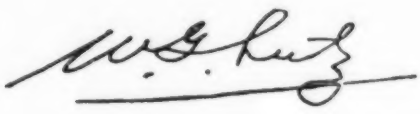
Saskatchewan
Liquor Board
Superannuation
Commission

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Liquor Board Superannuation Fund as at December 31, 1986 and the statements of revenue, expenditure and accumulated fund balance, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan,
October 13, 1987.

Saskatchewan
Liquor Board
Superannuation
Commission

Statement 1

Liquor Board Superannuation Fund
Balance Sheet

December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Assets		
Cash	$ 62,458	$ —
Accounts receivable — Employer's contributions	70,858	77,970
— Employees' contributions	21,215	21,960
— Transfer from other plans	—	31,853
— Other	626	11,507
Investments (Schedule 1)	10,303,205	9,596,056
Accrued interest	220,572	243,384
	$10,678,934	$ 9,982,730
Liabilities and Accumulated Fund Equity		
Accounts payable	$ —	$ 1,876
Bank overdraft	—	27,735
	—	29,611
Fund equity:		
Accumulated fund balance (Statement 2) (Note 5)	10,678,934	9,953,119
	$10,678,934	$ 9,982,730

(See accompanying notes to the financial statements)

Statement 2

Liquor Board Superannuation Fund
Statement of Revenue, Expenditure and Accumulated Fund Balance

Year Ended December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Revenue:		
Contributions from employers (Note 3)	$ 1,026,432	$ 1,066,293
Interest revenue	1,057,368	1,106,141
Contributions of employees	307,636	319,156
Transfer from other plans	–	31,853
Gain on sale of investments (net)	318,721	317,891
Total revenue	2,710,157	2,841,334
Expenditure:		
Superannuation allowances	1,984,342	1,881,597
Refund of equity to the estate of superannuates	–	11,742
	1,984,342	1,893,339
Excess of revenue over expenditure	725,815	947,995
Accumulated fund balance, beginning of year	9,953,119	9,005,124
Accumulated fund balance, end of year (Statement 1)	$10,678,934	$ 9,953,119
Comprised of:		
Employees' accumulated contribution (Note 5)	$ 2,850,607	$ 2,717,476
Unallocated (Note 5)	7,828,327	7,235,643
	$10,678,934	$ 9,953,119

(See accompanying notes to the financial statements)

Statement 3

Liquor Board Superannuation Fund
Statement of Receipts and Disbursements

Year Ended December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Receipts:		
Contributions by employees	$ 340,234	$ 321,336
Contributions by the employers	1,033,543	1,070,509
Interest received	1,053,075	904,822
Proceeds from maturities and sales of investments	17,981,263	13,683,077
Recovery from Saskatchewan Liquor Board	1,478	759
	20,409,593	15,980,503
Cash, beginning of year	(27,735)	8,519
	$20,381,858	$15,989,022
Disbursements:		
Superannuate allowance payments	$ 1,986,217	1,879,722
Cost of living bonus	719	759
Refund of equity to superannuates' estates	—	11,742
Investments purchased at cost	18,332,464	14,124,534
	20,319,400	16,016,757
Cash, end of year	62,458	(27,735)
	$20,381,858	$15,989,022

(See accompanying notes to the financial statements)

Liquor Board Superannuation Fund

Notes to Financial Statements

Year Ended December 31, 1986

1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Investments**

Investments of the fund are recorded at cost. Discounts and premiums on purchase are amortized on a straight-line basis over the life of the investments.

c) **Administrative Costs**

The fund is managed by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

2. Description of the Fund

The fund was established under The Liquor Board Superannuation Act. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1, 1978.

3. Fund Contributions

Member contributions are based on a percentage of salary. The contributions required by the employer are calculated by applying a predetermined rate to the member's contributions.

4. Unfunded Liability

The most recent actuarial valuation of the Saskatchewan Liquor Board Superannuation Plan estimated that on December 31, 1981 the fund had an unfunded liability for past service benefits of $15,205,245. The Saskatchewan Liquor Board is obligated to fund any deficiency to meet retirement benefits and withdrawals.

5. Accumulated Fund Balance

a) **Unallocated**

This amount represents the balance of all amounts contributed by former members who themselves or whose beneficiaries are receiving allowances, all amounts contributed by the employer and all interest earned and gains or losses realized on sale of fund investments, reduced by allowances paid to superannuates and interest on contribution refunded to members who have resigned.

b) **Employees' Accumulated Contributions**

This amount represents the accumulated amounts that have been contributed to the fund by current Board employees or former employees who are not yet in receipt of benefits.

Schedule 1

Liquor Board Superannuation Fund
Schedule of Investments

December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Bonds		
Government of Canada	$ 1,275,612	$ 1,276,136
Province of Saskatchewan	1,500,192	1,489,631
Other Provincial and Provincially Guaranteed	1,088,757	787,047
School Units and Districts	6,990	13,971
Corporate	3,098,659	2,814,954
	$ 6,970,210	$ 6,381,739
Mortgages		
Co-operative Trust Company	249,912	249,938
Morguard Trust Company	529,761	530,939
Shares	2,321,386	691,932
Short-term Investments	231,936	1,741,508
Total Investments (Statement 1)	$10,303,205	$ 9,596,056

Bonds, mortgages and shares had a quoted market value of $11,171,401 on December 31, 1986 (1985 — $8,821,446). Short-term investments are valued at cost, which approximates market value.

Schedule 2

Liquor Board Superannuation Fund
Schedule of Investment Transactions

Year Ended December 31, 1986

Bonds and Debentures

Purchased	Maturity Date	Interest Rate	Cost	% Yield	Par Value
Government of Canada	May 1, 2002	10.00	$ 238,125.00	10.62	$ 250,000
Government of Canada	March 6, 1988	9.75	249,125.00	9.95	250,000
Saskatchewan	January 15, 1991	9.50	300,750.00	9.44	300,000
Ontario Hydro	December 15, 1991	9.00	294,000.00	9.50	300,000
AEC Power	June 30, 1996	10.50	250,000.00	10.50	250,000
Interprovincial Pipe	July 15, 1996	10.875	313,125.00	10.17	300,000
Norcen Energy Resources	December 15, 2006	6.00	200,000.00	6.00	200,000
Pacific Western	December 30, 1996	7.625	300,000.00	7.625	300,000
Roylease	August 27, 1996	9.75	317,856.00	10.35	330,000
			$2,462,981.00		$ 2,480,000

Sold or Matured	Maturity Date	Interest Rate	Received	Book Value	Par Value
Government of Canada	May 1, 2002	10.00	$ 301,125.00	$ 250,048.50	$ 300,000
Government of Canada	May 1, 2002	10.00	247,375.00	238,185.90	250,000
Saskatchewan	January 15, 1991	9.50	299,625.00	300,650.00	300,000
Saskatoon S.D. #13	October 16, 1984-87	7.25	7,000.00	7,000.00	7,000
Bank of Nova Scotia	April 1, 2001	10.00	393,509.11	300,000.00	300,000
Edmonton Centre Ltd.	June 15, 2002	9.75	98,470.00	99,602.90	100,000
Molson Consolidated	October 1, 2000	8.50	479,500.00	370,776.90	350,000
Royal Bank Realty	January 31, 1988	11.625	306,060.00	300,000.00	300,000
Norcen Energy Resources	December 20, 2003	13.25	9,000.00	9,000.00	9,000
Producers Pipeline	June 30, 1995	12.00	20,370.36	20,370.36	20,370
			$2,162,034.47	$1,895,634.56	$ 1,936,370

Net decrease in Bonds and Debentures at Par Value (2,480,000-1,936,370)	$ 543,630
ADD: Total as at December 31, 1985 at Par Value	6,760,815
Total Bonds and Debentures (Par Value) December 31, 1986	7,304,445
LESS: Unamortized Discounts	334,235
Total Bonds and Debentures (at Amortized Cost) December 31, 1986 Schedule 1	6,970,210
Total Bonds and Debentures (at Amortized Cost) December 31, 1985	6,381,739
Net increase in Bonds and Debentures at Amortized Cost	$ 588,471

Insured Mortgages at Cost — Transactions

During the year 1986	Interest Rate	Purchased	Discount Amortized	Disposed	Net
Co-op Trust Co.					
— Trafalgar Housing Corp.	21.00	$ —	$ —	$ 26	$ (26)
Morguard Trust					
— John Remai	13.625	—	—	796	(796)
— Dahlen (Aspen) Holding	10.75	—	4,340	4,290	50
— Country Club Estates	10.125	—	1,640	2,071	(431)
Totals		**$ —**	**$ 5,980**	**$ 7,183**	**$ (1,203)**

Corporate Shares at Cost — Transactions

During the year 1986	**Shares**	**Purchased**	**Disposed**	**Net**
Bank of Nova Scotia	27,530	$ 427,526	$ —	$ 427,526
BMO Nt Financial	1,700	18,063	—	18,063
Brascan	1,000	25,000	—	25,000
B.C. Telephones	1,000	28,330	—	28,330
Campbell Red Lake Mines	1,000	20,000	—	20,000
Crownx Inc.	1,500	18,075	—	18,075
Domtar	1,400	43,925	—	43,925
Dylex	1,500	26,340	—	26,340
Echo Bay Mines	2,000	44,620	—	44,620
Great West Life	2,000	41,250	41,250	—
Hees International	1,000	31,250	—	31,250
Household International	3,900	216,874	216,874	—
Imasco	9,500	322,450	—	322,450
Inco	500	11,355	—	11,355
International Thomson Org.	4,000	47,200	—	47,200
Interprovincial Pipelines	800	34,640	—	34,640
Lac Minerals Ltd.	1,500	33,293	—	33,293
Laidlaw Transportation	2,600	34,549	—	34,549
MacLean Hunter	2,500	48,300	—	48,300
MacMillan Bloedel	1,000	31,060	—	31,060
National Bank	2,000	55,255	—	55,255
Pagurian Corporation	1,000	15,570	—	15,570
Power Corporation	3,000	52,605	—	52,605
Ry. Nt. Financial	2,000	18,500	—	18,500
Scott's Hospitality	500	19,625	—	19,625
Teck Corporation	500	12,498	—	12,498
Transcanada Pipelines Ltd.	2,500	40,312	—	40,312
Lonvest Corporation	500	12,540	—	12,540
Teck Corporation Convertibles	800	101,200	—	101,200
CAE Industries	2,000	20,060	—	20,060
Falconbridge Ltd.	2,000	33,750	—	33,750
Transcanada Pipelines (Warrants)	1,250	1,562	—	1,562
Totals		**$ 1,887,577**	**$ 258,124**	**$ 1,629,453**

Short-Term Investments	**Purchased**	**Disposed**	**Net**
Transactions during the year	$ 13,981,905	$ 15,491,477	$ (1,509,572)

Summary of Investment Transactions (At Cost)	
Increase in Bonds and Debentures at Amortized Cost	$ 588,471
Decrease in Insured Mortgages	(1,203)
Increase in Corporate Shares	1,629,453
Decrease in Short-Term	(1,509,572)
Total Investment Transactions	$ 707,149
Investments, beginning of year (at Cost)	9,596,056
Investments, end of year (at Cost)	$ 10,303,205